



U.S. DEPARTMENT OF ENERGY
Office of Electricity Delivery and Energy Reliability
Infrastructure Security and Energy Restoration

ENERGY ASSURANCE DAILY

Tuesday Evening, May 04, 2010

Major Developments

Update: BP Begins Drilling Relief Well to Intercept Gulf Oil Leak May 2 Oil Containment Canopy Completed, Will be Deployed in Little Over a Week

BP confirmed May 4 that work has begun to drill a relief well to intercept and isolate the oil well that is spilling oil in the U.S. Gulf of Mexico. The drilling began at 3:00 p.m. CDT on Sunday May 2. The new well, in 5,000 feet of water, is planned to intercept the existing well around 13,000 feet below the seabed and permanently seal it. The new drill site is about half a mile on the seabed from the leaking well in Mississippi Canyon block 252, and drilling is estimated to take some three months. BP has announced that it carried out a second approved trial injection of dispersants directly into the oil flow at a point close to the main leak on the seabed. The technique is intended to efficiently mix the oil and dispersant, breaking up and dispersing accumulations of oil and allowing it to degrade naturally and reduce surface impact. Rapid progress is also being made in constructing a coffer dam, or containment canopy. A 14 x 24 x 40 foot steel canopy has already been fabricated and other-sized canopies are under construction and being sourced. Once lowered over the leak site and connected by pipe, the canopy is designed to channel the flow of oil from the subsea to the surface where it could be processed and stored safely on board a specialist vessel. Weather permitting, first installation of a canopy on site is expected to start in a little over a week, allowing the process of testing and commissioning to begin. Only once this is complete will the effectiveness of the system be demonstrated. At the seabed, BP continues to use up to eight remotely operated vehicles (ROVs) to work on the blow-out preventer and subsea equipment. To date, none of these actions have resulted in any observed reduction in the rate of oil from the leaking well. The New York Times reports that the U.S. Coast Guard hopes to conduct more controlled in-situ burns of the oil slick in the coming days. Rain and wind have prevented controlled burns since April 28. On May 3, the State of Louisiana released an "Initial Oil Spill Response Plan," which details parish and state coordinated efforts to protect the coast from the effects of oil. U.S. Defense Secretary Robert Gates gave verbal approval to requests to deploy National Guard troops from Mississippi, Alabama, and Florida.

Spill Location and Forecasts: <http://gohsep.la.gov/oilspill.aspx>

BP: <http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7061778>

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7061776>

USCG: <http://www.deepwaterhorizonresponse.com/go/doc/2931/537663/>

LA: <http://www.emergency.louisiana.gov/>

<http://www.nytimes.com/2010/05/04/us/04burn.html>

DJN, 12:42 May 4, 2010

Electricity

Update: Entergy's 836 MW Arkansas Nuclear Unit 1 in Arkansas Ramped Up to 88 Percent by May 4

The Nuclear Regulatory Commission reported that on the morning of May 3 the unit was operating at 37 percent. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Update: FPL's 565 MW Duane Arnold Nuclear Unit in Iowa Ramped Up to 84 Percent by May 4

The unit went offline by April 26 "due to high turbine vibrations," Reuters said. The Nuclear Regulatory Commission reported that on the morning of May 3 the unit was operating at 20 percent.

<http://www.reuters.com/article/idUSN038272320100503?type=marketsNews>

Information also derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Dynegy's 335 MW El Segundo Gas-Fired Unit 3 in California Shut by May 3

According to the California Independent System Operator, the unit reported an unplanned outage by May 3.

<http://www.caiso.com/unitstatus/data/unitstatus201005031515.html>

Update: Calpine's 561 MW Los Medanos Energy Center Gas-Fired Unit in California Ramps up by May 3

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 297 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201005031515.html>

Update: Sycamore Cogeneration's 360 MW Sycamore Cogeneration Gas-Fired Unit in California Ramps up by May 3

According to the California Independent System Operator, the unit reported a return from an unplanned curtailment of 120 MW.

<http://www.caiso.com/unitstatus/data/unitstatus201005031515.html>

Winds and Snow Knock Out Power to More Than 75,000 Customers in Northwest United States and British Columbia, Canada May 3

Winds and snow cut power to more than 26,000 BC Hydro customers in British Columbia, Canada, 18,000 Avista Utilities customers in Idaho, 4,200 Inland Power and Light Co. customers in Idaho, 16,000 Puget Sound Energy customers in Washington, 8,000 Snohomish County PUD customers in Washington, and nearly 3,500 Seattle City Light customers in Washington multiple sources reported.

The companies had restored power to most affected customers, as of latest reports.

BC Hydro: <http://www.bchydro.com/outages/orsTableView.jsp>,

http://www.ctvbc.ctv.ca/servlet/an/local/CTVNews/20100503/bc_wind_surf_100503/20100503?hub=BritishColumbia

Avista Utilities: <https://www.avistautilities.com/safety/layouts/avista/transactions/viewoutages.aspx>,

<http://www.spokesman.com/stories/2010/may/04/power-still-being-restored-after-mondays-winds/>

Puget Sound Energy, Snohomish County PUD: <http://www.komonews.com/news/92722359.html>

Seattle City Light: <http://www.king5.com/home/Spring-storm-brings-strong-winds-to-Western-Wash-92665469.html>

Update: FirstEnergy Eyes July Restart for 908 MW Davis-Besse Nuclear Power Plant in Ohio

FirstEnergy expects to restart its 908 MW Davis-Besse nuclear power plant in July 2010, the company said on May 3, as it modifies 24 of the site's 69 control rod drive mechanism nozzles. The company shut the reactor in late February for refueling and maintenance. Shortly thereafter, it began testing the unit's 69 control rod drive mechanism nozzles. The tests revealed 24 nozzles that required modification. The company has nearly completed modification to 10 of those 24, and has begun work on the remaining 14.

<http://www.firstenergycorp.com/NewsReleases/2010-05-03%20Davis-Besse%20Inspection%20Complete-Final.pdf>

Update: PPL Generation Breaks Ground on 125 MW Expansion at Existing 108 MW Holtwood Hydroelectric Power Plant in Pennsylvania May 3

PPL shelved the project in December 2008 amid poor economic conditions, but restarted it in 2009, citing federal tax credits and state government support. The work involves the construction of a new, 125 MW hydroelectric powerhouse; Holtwood's existing 108 MW hydroelectric plant will remain online. The company expects to complete the build in the spring of 2013.

<http://www.pplweb.com/newsroom/newsroom+quick+links/news+releases/PPL+Holtwood+celebrates+past+present+and+future+of+hydroelectric+power+050310.htm>

AEP Could Shut "More than a Couple Thousand" MW of Coal-Fired Power Capacity over Next 18 Months: CEO

American Electric Power (AEP) is considering shutting older, less-efficient coal-fired power plants as it works to cut costs, the company's chairman and chief executive said on May 3. The shutdowns could, over the next year-and-a-half, involve "more than a couple thousands" megawatts of generation, he said.

<http://www.nasdaq.com/aspx/stock-market-news-story.aspx?storyid=201005031726dowjonesdjonline000303&title=american-electric-power-looks-to-idle-some-plants-to-cut-costs>

Flooding Forces Shut Two Marathon-Owned Fuel Terminals in Tennessee by May 4

Marathon Oil Corp. idled two fuel terminals in Nashville, Tennessee, citing flooding. The company reported a sheen near a loading rack at one terminal. Floods have halted all commercial traffic along the Cumberland River, according to a Coast Guard official.

<http://www.businessweek.com/news/2010-05-04/marathon-shuts-terminals-in-nashville-due-to-flooding-update2-.html>

Valero Reduces Coker at 325,000 b/d Port Arthur, Texas Refinery by May 4

Valero reduces the delayed coking unit for module repairs, a company spokesman said. He did not say when the unit might resume normal service.

Reuters, 09:42 May 4, 2010

Magellan Considers Reversal and Conversion along Oil Product Pipeline in Texas – New Line Would Deliver Crude Oil

Magellan Midstream Partners, L.P. is considering reversing and converting to crude service a portion of its 18-inch Houston-to-El Paso oil product pipeline, the company said on May 4. The adjusted segment would deliver oil from West Texas to the Magellan's East Houston terminal. The company is also evaluating pipeline connections to transport oil and condensate from the Eagle Ford Shale to the East Houston terminal. The pipeline system would deliver up to 200,000 b/d of crude. If it pursues the project, the company would still be able to deliver at least 60,000 b/d of petroleum products to the El Paso, Texas market. It would enhance the operational connectivity of its existing pipeline assets and use the western portion – the unaltered segment – of the otherwise-converted pipeline. Separately, Magellan plans to construct 2 million barrels of crude-oil storage in Cushing, Oklahoma. The project could be expandable to 4 million barrels.

http://www.magellanlp.com/news/2010/20100504_7.htm

Abu Dhabi Plans 100,000 b/d Satah Al-Razboot Oilfield Offshore United Arab Emirates

http://www.rigzone.com/news/article.asp?a_id=92104

Natural Gas

CenterPoint Plans 580 MMcf/d Olympia Natural Gas Gathering System in Louisiana

CenterPoint Energy Field Services (CEFS) expects to expand newly-purchased, existing facilities in the Haynesville Shale, northwest Louisiana to gather and treat up to 580 MMcf/d of natural gas, the company said on May 3. CEFS bought the facilities from Encana and Shell; the expansion will serve the sellers' production. The project, or Olympia Gathering System, will include more than 180 miles of new pipelines, nearly 8,000 horsepower of compression and over 680 MMcf/d of treating capacity. It could be expanded by another 520 MMcf/d. It will interconnect with CEFS' planned 900 MMcf/d Magnolia Gathering System, also in the Haynesville Shale.

<http://www.centerpointenergy.com/newsroom/newsreleases/964ad6a3d1f58210VgnVCM10000026a10d0aRCRD/>

Update: Williams Opens 253,500 Dth/d Expansion along Natural Gas Pipeline in Alabama by May 3

The expansion, or Mobile Bay South project, boosted capacity by 253,500 Dth/d on the Mobile Bay Lateral from Transco's mainline near Butler, Alabama, to its interconnect with Gulfstream Natural Gas System in Coden, Alabama. The project involved a new compressor facility in Alabama.

<http://www.williamspl.com/profiles/investor/ResLibraryView.asp?ResLibraryID=37793&GoTopage=1&Category=1800&BzID=1296>

Other News

Arch Coal Subsidiary Suspends Production at 200,000 Tons/Month Dugout Canyon Coal Mine in Utah, Citing Carbon Monoxide Levels April 29

The subsidiary, Canyon Fuel Company, cited "a small increase in carbon monoxide levels... in a mined-out area that was in the process of being sealed." There were no injuries or property damage, and the company referred to the shutdown as temporary.

<http://news.archcoal.com/phoenix.zhtml?c=107109&p=irol-newsArticle&ID=1421520&highlight=>

Energy Prices

U.S. Oil and Gas Prices May 4, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	83.14	82.43	53.68
NATURAL GAS Henry Hub \$/Million Btu	3.86	4.18	3.30

Source: Reuters

Energy Notes

Update: Fewer than 13,000 Remain Without Power in Tennessee May 4 – Rains and Tornadoes Cut Electricity to about 70,000 Over Weekend

Nashville Electric Service: <http://www.nespower.com/OutageMap/default.aspx>
<http://www.tnema.org/news/tema/?p=254#more-254>

Wind and Thunderstorms Knock Out Power to 12,000 Central Maine Power and 6,500 Bangor Hydro Electric Customers in Maine May 3 – Companies Restore Service to Most by May 4

<http://wbztv.com/wireapnewsme/Fast.moving.storm.2.1673350.html>

Snow and Winds Knock Out Power to Between 10,000 and 15,000 Fortis Alberta Customers in Canada May 4

http://edmonton.ctv.ca/servlet/an/local/CTVNews/20100504/edm_storm_100504/20100504/?hub=EdmontonHome

Floods, Tornadoes Cut Power to about 10,000 Entergy Arkansas Customers over Weekend

<http://www.baxterbulletin.com/article/20100504/NEWS01/5040325/1002/Beebe+declares+disasters+in+10+Arkansas+counties>

NRC Reviewing Fire Safety at Progress Energy's 1,790 MW Brunswick Nuclear Power Plant in North Carolina

<http://www.newsobserver.com/2010/05/01/462056/nuclear-safety-review-begins.html>

Potential Leak Susceptibility Could Affect Reliability at Entergy's 563 MW Vermont Yankee Nuclear Power Plant in Vermont: Nuclear Safety Associates

http://www.reformer.com/localnews/ci_14996224

Update: Entergy Appeals State Ruling Regarding Cooling Methods at 2,311 MW Indian Point Nuclear Power Plant in New York – April 2 Ruling Could Force Offline Facility as Soon as 2015

<http://www.lohud.com/article/20100501/NEWS01/5010344/-1/newsfront/Indian-Point-appeals-ruling-on-Hudson-water-use>

Disc Failure Triggers Flaring at Lyondell Basell's 270,000 b/d Houston, Texas Refinery by May 3

Reuters, 17:59 May 3, 2010

California Governor Schwarzenegger Drops Support for Oil Drilling Project Offshore Santa Barbara May 3, Citing Gulf of Mexico Spill

<http://sacramento.bizjournals.com/sacramento/stories/2010/05/03/daily16.html>

USW Criticizes Oil Industry, Citing "Weekly Refinery Fires"

http://www.usw.org/media_center/news_articles?id=0553

Cadeville Gas Storage Receives Environmental Approval for Proposed 16.5 Bcf Natural Gas Storage Project in Louisiana by May 4

<http://intelligencepress.com/>

<http://www.cardinalgs.com/secondary.asp?id=0>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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